



Ninety-Ninth Legislature - First Session - 2005
Committee Statement
LB 252

Hearing Date: January 27, 2005

Committee On: Revenue

Introducer(s): (Baker)

Title: Prohibit certain city taxes, change motor fuel tax rates, and restrict use of certain tax revenue

Roll Call Vote – Final Committee Action:

Advanced to General File

Advanced to General File with Amendments

X Indefinitely Postponed

Vote Results:

5	Yes	Senators Cornett, Landis, Preister, Raikes and Redfield
1	No	Baker
0	Present, not voting	
2	Absent	Senators Connealy and Janssen

Proponents:

Senator Tom Baker
Larry Dix
Rick Meter

Don Thomas
Terry King

Opponents:

Mike Hybl

Lynn Rex
Jack Cheloha
Tim Keigher

Neutral:

Bruce Bohrer

Representing:

Introducer
Nebraska Association of County Officials
Scotts Bluff County, NACO, NE Association of
County Engineers, Surveyors & Highway
Superintendents
NACO and Lancaster County Engineering Dept.
Associated General Contractors, NE Chapter

Representing:

Nebraska Trucking Association and Nebraska
State Chamber
League of Nebraska Municipalities
City of Omaha
NE Petroleum Marketers & Convenience Store
Assn. & NE New Car & Truck Dealers Assn.

Representing:

Lincoln Chamber of Commerce

Summary of purpose and/or changes:

LB 252 would have amended five sections of law to prohibit municipalities from levying an occupation tax related to motor fuel. Any existing tax was to be terminated on the operative date of the bill (October 1, 2005). The five sections were sections 14-109 (metropolitan class cities), sections 15-202 and 203 (primary class cities), section 16-205 (first class cities), and section 17-525 (second class cities and villages).

Sections 6 and 7 would have amended sections 39-2510 (county road funds) and 39-2520 (city street funds) to place local sales taxes levied on motor vehicles within the funds required to be expended exclusively for road and street purposes. Section 39-2520 was also amended to eliminate off-street parking as a permissible use of street funds.

Sections 8, 9, and 11 would have amended sections 66-489 (excise tax), 66-4,105 (use tax), and 66-6,107 (compressed fuel tax) to increase the statutory gas tax and compressed fuel tax from 10½ cents per gallon to 12½ cents. This is the tax that is deposited in the Highway Trust Fund for distribution to the state (53 1/3 percent), cities, and counties (23 1/3 percent each). Section 10 amended section 66-4,148 to require the use of funds from the Highway Allocation Fund that are distributed to counties and cities to be for the purposes allowed by section 39-2520 (counties) and section 39-2520 (cities).

Explanation of amendments, if any:

Senator David Landis, Chairperson